



MEMORANDUM

To: Multistate Tax Commission Uniformity Committee
From: Helen Hecht, General Counsel
Regarding: Approved Minutes – Meeting of June 2, 2016 (By Phone)
Date: June 2, 2016

A meeting of the Uniformity Committee was held by phone on June 2, 2016 for the purpose of considering comments on draft amendments to the General Allocation and Apportionment Regulations – Sections 1 and 17 which were referred by the Executive Committee.

Attendees (those who identified themselves):

Wood Miller, Missouri DOR (Chair)
Chris Coffman, Washington DOR (Vice Chair)
Joe Huddleston, E&Y
Karl Frieden, COST
Jamie Yesnowitz, Grant Thornton
Alysse McLoughlin, McDermott Will & Emery
Catie Oryl, COST
Karen Boucher, FIST Coalition
Tripp Baltz, BNA
Claudia Smith, Bank of America
Michael Fatale, Massachusetts DOR
Matt Peyerl, North Dakota DOR
Charles Dendy, North Dakota DOR
Dee Wald, North Dakota DOR
Phil Skinner, Idaho DOR
Nathan Nielson, Idaho DOR
Don Jones, Oregon DOR
Jeff Henderson, Oregon DOR
Holly Coon, Alabama DOR
Lennie Collins, North Carolina DOR
Jennifer Hays, Kentucky LRC
Helen Hecht, MTC
Bruce Fort, MTC
Sheldon Laskin, MTC
Lila Disque, MTC

Wood Miller welcomed everyone and ask for initial public comments.

- Karen Boucher representing the FIST Coalition noted that the Coalition had provided additional written comments to Helen Hecht that morning.
- Karl Frieden, COST, commented that COST supports the FIST Coalition’s comments and also has heard from utilities and energy companies that they are concerned about the exclusion of hedging receipts. COST also supports the recommendations of the hearing officer and reiterates other comments made during the hearing process and to the Executive Committee
- Joe Huddleston, E&Y, agrees with the comments made by COST and also expressed concern about the exclusion of receipts from hedging and lending from the receipts factor.

Wood Miller noted that, in order to avoid confusion, during this process the Committee would use the Hearing Officer Report and the version of the draft amendments included with that report. (Available here: [http://www.mtc.gov/getattachment/Uniformity/Project-Teams/Public-Hearing-3-2016/Hearing-Officer-Report-General-Allocation-and-Appportionment-Regs-\(revised\).pdf.aspx](http://www.mtc.gov/getattachment/Uniformity/Project-Teams/Public-Hearing-3-2016/Hearing-Officer-Report-General-Allocation-and-Appportionment-Regs-(revised).pdf.aspx)) Note that while the Report is 129 pages, the vast majority of that is a copy of the amendments. The portions useful for the Committee’s purposes are pages 10-18.

The Committee discussed whether there should be other calls scheduled in anticipation that they would be needed and the Committee agreed and instructed staff to schedule those calls beginning June 16, weekly, at the same time (3pm Eastern).

The Committee also discussed whether an issue checklist would help focus their efforts and agreed that it would. That checklist will be provided in advance of the next meeting.

The Committee discussed the deliverable to the Executive Committee and agreed that it should focus first on the comments referred and second on any new issues. The deliverable would include a report of the comments considered and the recommendations as well as any changes to the draft amendments.

The Committee began walking through the memo provided by MTC staff—starting with the changes to the draft amendments recommended by the hearing officer.

Michael Fatale commented about the change recommended by the Hearing Officer (summarized in the Hearing Officer Report at page 11 & 12, and summary at page 16). He noted that the Hearing Officer’s concern as expressed was with the condition that change would be allowed only “for purposes of improving the accuracy of



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assigning its receipts . . . including for example to address the circumstance where there is a change in the information that is available to the taxpayer” and with the requirement to keep particular records explaining the change. That did not seem to warrant striking the other provision of the subsection that would require the taxpayer to disclose that a change in method has been made.

Holly Coon asked that when the next meetings are scheduled, the notice make clear that the Committee will be voting on the issues to be decided.